

**MISSISSIPPI DEPARTMENT OF HUMAN SERVICES
DIVISION OF EARLY CHILDHOOD CARE & DEVELOPMENT
Post Office Box 352
Jackson, Mississippi 39205**

TO: Mississippi Child Care Payment Program Participants
State Early Childhood Advisory Council
Early Childhood Stakeholders and Provider Organizations

FROM: Marianna Chauvin, Policy Director
Division of Early Childhood Care & Development

DATE: December 16, 2015

SUBJECT: 2016 Market Rate Survey

Notice of Final Market Rate Survey Instrument

The Division of Early Childhood Care and Development, in partnership with the Early Years Network, has released the final draft of the Market Rate Survey (MRS) Instrument (**Appendix A**).

All child care providers within the State of Mississippi are invited to complete and submit the MRS by January 18, 2016.

DECCD is excited to announce that for the first time, the MRS is available in a web-based format; and that for the first time, respondents have the opportunity to receive a personalized business assessment based on their responses (should they so choose).

The MRS is conducted in accordance with Child Care Development Block Grant (CCDBG) requirements, and was developed by DECCD in consultation with key stakeholders across the state. All feedback, received following the distribution of the initial draft of the survey instrument, has been compiled and is available in **Appendix B**.

The current and final iteration of the survey instrument was thoughtfully designed to be succinct yet substantive and inclusive of feedback received by stakeholders and federal technical assistants. DECCD takes this survey process seriously, as the results of the MRS will inform the establishment of provider reimbursement rates that support equal access to child care services for subsidy-eligible families.

Context and Statutory Authority

The CCDBG Act of 2014 revises the provisions for a Market Rate Survey (MRS) and requires that:

- 1) the MRS must be statistically valid and reliable, and that
- 2) the MRS must reflect variations in the price to parents of child care services by geographic area, type of provider, and age of the child.

“CCDBG 658(c)(4)(B): The State plan shall (i) demonstrate that the State has, after consulting with the SAC, local child care program administrators, local CCR&Rs, and other appropriate entities, developed and conducted (not earlier than 2 years before the date of the submission of the application containing the State plan) a statistically valid and reliable survey of the market rates for child care services in the State (that reflects variations in the cost of child care services by geographic area, type of provider, and age of child) or an alternative methodology, such as a cost estimation model, that has been developed by the State lead agency;...”

The Administration for Children and Families has clarified that the State is required to conduct the MRS between July 1, 2013 and March 1, 2016.

Once the MRS has been conducted, the State must disseminate the results of the MRS in a timely fashion (no later than 30 upon completion).

“CCDBG 658E (c)(4)(B): (ii) demonstrate that the State prepared a detailed report containing the results of the State MRS or alternative methodology conducted pursuant to clause (i), and made the results of the survey or alternative methodology widely available (not later than 30 days) after the completion of such survey or alternative methodology) through periodic means, including posting results on the Internet;...”

The State must set CCDF subsidy payment rates in accordance with the results of the current MRS. When setting payment rates, the law requires the State to take into consideration the cost of providing higher quality child care services than were provided prior to November 2014 and without, to the extent practicable, reducing the number of families receiving CCDF relative to the number served as of November 2014.

“CCDBG 658E (c)(4)(B)(iii): Describe how the State will set payment rates for child care services for which assistance is provided in accordance with this subchapter- (I) in accordance with the results of the MRS or alternative methodology conducted pursuant to clause (i); (II) taking into consideration the cost of providing higher quality child care services than were provided under than subchapter before the date of enactment of

the CCDBG of 2014; and (III) without, to the extent practicable, reducing the number of families in the State receiving such assistance to carry out this subchapter, relative to the number of such families on the date of enactment of that Act;...”

Development of Survey Instrument

DECCD had two goals when developing the survey instrument for the 2016 MRS:

- 1) **EFFICIENCY** – DECCD wanted to make the collection process more efficient by shortening the survey and allowing for completion through a web-based application.
- 2) **ROBUSTNESS** – DECCD wanted to increase the scope of the MRS by asking providers questions regarding the cost of care in addition to the questions regarding the price of care (or market rate).

All prior versions of the MRS were paper-based in terms of distribution and collection. The current version of the MRS is web-based. However, providers have the option to complete a paper-based survey if they have limited access to the internet or need additional support in order to complete the survey. Representatives of the Early Years Network are trained and available to support providers in the completion of the MRS.

The scope of the current MRS has been increased to account for not only market rate, but also provider cost – a strategy which is supported by language in the CCDBG (658(c)(4)(B)) authorizing alternative methodologies or cost estimation models. DECCD has added a section to the MRS to collect information regarding costs incurred by the provider for the provision of child care. DECCD believes that the consideration of provider cost in addition to the market rate allows for a more thorough assessment of the reimbursement system and will inform any decision to change reimbursement rates that support equal access to child care services among subsidy recipients. DECCD suspects that many providers set their rates based on subsidy reimbursement rather than the actual cost of providing care.

Stakeholder feedback has been a critical component in the development of the 2016 MRS. The initial draft of the survey instrument did not have multiple sections and did not differentiate between questions regarding market rate and questions regarding provider cost. When DECCD sent this initial draft of the 2016 survey instrument to stakeholders across the state, providers raised a concern that the addition of the questions regarding provider cost would discourage providers who do not participate in the Child Care Payment Program from completing the survey. In response to this concern, DECCD separated the MRS into two very distinct sections. The first section captures market rate information. The second section is an additional optional page that captures provider cost information. Providers do not need to complete this section in order to submit information from the market rate section of the survey.

To address concerns regarding the length of the survey, it is important to note that the previous version of the MRS, which was conducted in 2013, was six (6) pages in length. The 2016 version of the MRS has been reduced to three (3) pages for the market rate section. Providers may choose to also respond to the second section which is an additional five (5) pages. A landing page offers a clear delineation

between the two sections and offers an explanation of the benefits associated with responding to the second section. Once a provider enters the second section of the survey, they can end the survey at any time.

The survey instrument was specifically designed not only to collect information for the fulfillment of federal requirements, but also to offer child care providers with the opportunity to receive business technical assistance. **If** the respondent completes the optional section of the MRS, and **if** the respondent provides personally identifiable information specifically for this purpose, then the Early Years Network will provide a customized cost analysis as well as personalized business supports to the child care provider.

Distribution and Completion

Child care providers have two options to complete the 2016 MRS.

- 1) Through an online web-form:
https://msudafvm.co1.qualtrics.com/SE/?SID=SV_bNm7Kua5xFm3ey9
- 2) Or by contacting the Early Years Network to request a paper copy.

PHONE: 662-325-3083

WEBSITE: <http://earlyyearsnetwork.msucare.com/>

Providers should note that the trained staff at the Early Years Network is available to any provider requiring additional assistance or support toward the timely completion and submission of the MRS.

Providers must submit their MRS to the Early Years Network by January 18, 2016 in order for their response to be included in the final analysis.

Appendix A: Final Survey Instrument



None of your responses will be recorded until you click the SUBMIT MY SURVEY button.

What type of child care do you provide?

- ☐ Child Care Center
- ☐ Family Child Care

What is the status of your licensure?

- ☐ Licensed - Child Care Center
- ☐ Licensed - Head Start
- ☐ Licensed - Family Child Care
- ☐ License-Exempt
- ☐ Unlicensed - Family Child Care

Is your center individually owned, or is it supported by another entity such as a business or college/university?

- ☐ Individually Owned
- ☐ Business
- ☐ College/University

In what county is your child care facility located?

How many months does the program operate per year?

What is your licensed capacity?

Licensed capacity refers to the maximum number of children you may serve at any given time.

Do you participate in the MS Child Care Payment Program through DECCD?

- ☐ Yes
- ☐ No

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None of your responses will be recorded until you click the **SUBMIT MY SURVEY** button.

Child Tuition

Please enter tuition charged to private pay parents for all categories that apply.

Enter part-time rates for school-age children during the school year. Enter full-time rates for school-age children during the summer months.

	Current Enrollment	Weekly Part-Time Rate	Weekly Full-Time Rate	Monthly Part-Time Rate	Monthly Full-Time Rate
0 - 12 months (infants)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
13-36 months (toddlers)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3-5 years	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5-13 years (summer)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Special needs (all ages)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

My center defines full-time and part-time care as the following:

	Hours per Day
Part-Time	<input type="text"/>
Full-Time	<input type="text"/>

Do you charge the following fees? If yes, please indicate the amount and how often assessed.

	Fee Charged		Amount Charged	How Often Assessed
	Yes	No	(Currency)	(Monthly, Yearly, etc.)
Annual Registration Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Application Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Materials Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Field Trip Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Activity Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Transportation Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Other Fee <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

CACFP (USDA Food Program)

	Number of Children Birth to 11 Months	Number of Children 12 Months to 12 Years
Children qualifying for free lunch	<input type="text"/>	<input type="text"/>
Children qualifying for reduced lunch	<input type="text"/>	<input type="text"/>
Children qualifying for full pay lunch	<input type="text"/>	<input type="text"/>

Do you receive grant funds for children at your center from any of the following? Choose all that apply.

- ☐ Head Start
- ☐ Early Head Start
- ☐ Pre-K
- ☐ Pre-K Collaborative

Do you receive monies from fundraising and/or grants? Please list amount PER YEAR.

	Amount per Year
Fundraiser/Grant 1	<input type="text"/>
Fundraiser/Grant 2	<input type="text"/>
Fundraiser/Grant 3	<input type="text"/>
Fundraiser/Grant 4	<input type="text"/>
Fundraiser/Grant 5	<input type="text"/>

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**THIS SURVEY IS NOT YET COMPLETE!**

You have only completed the first portion of the Market Rate Survey. However, your responses to the following questions are very important because they will help DECCD understand the real cost of providing child care services in Mississippi today.

Here are some **BENEFITS** of Completing the Following Section:

- Your input will help DECCD to make decisions about setting subsidy rates at a level that supports equal access to child care services.
- If you so choose, The Early Years Network can use your responses to provide personalized business planning support for your child care program.

You will not be required to enter any personally identifiable information.

Please choose one of the following:

- ☐ I WOULD like to answer additional questions about my operating costs.
- ☐ I WOULD NOT like to answer additional questions about my operating costs.

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None of your responses will be recorded until you click the **SUBMIT MY SURVEY** button.

Please consider answering the following questions to help MDHS DECCD understand how much it costs you to provide care to the children you serve.

Administrative staff rate of pay.

You may answer per week OR per year.

****If you are a Director who also acts as a teacher, cook, or any other position, record the Director rate of pay ONLY.**

	Amount per Week	Amount per Year
Director	<input type="text"/>	<input type="text"/>
Cook	<input type="text"/>	<input type="text"/>
Bus Driver	<input type="text"/>	<input type="text"/>
Administrative Assistant	<input type="text"/>	<input type="text"/>

Number of administrative staff employed.

	Number
Cook	<input type="text"/>
Bus Driver	<input type="text"/>
Administrative Assistant	<input type="text"/>

Would you consider answering additional questions?

- ☐ I do not want to answer any more questions. Take me to survey submission page.
- ☐ Continue with the survey.

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None of your responses will be recorded until you click the **SUBMIT MY SURVEY** button.

Please consider answering the following questions to help MDHS DECCD understand how much it costs you to provide care to the children you serve.

Number of teachers

	Number
Part-time	<input type="text"/>
Full-time	<input type="text"/>

Teacher rate of pay.

You may answer per week OR per year.

	Amount per Week	Amount per Year
Part-time	<input type="text"/>	<input type="text"/>
Full-time	<input type="text"/>	<input type="text"/>

Other Paid Positions

	Amount per Week	Amount per Year
Other 1 <input type="text"/>	<input type="text"/>	<input type="text"/>
Other 2 <input type="text"/>	<input type="text"/>	<input type="text"/>
Other 3 <input type="text"/>	<input type="text"/>	<input type="text"/>

Would you consider answering additional questions?

- ☐ I do not want to answer any more questions. Take me to survey submission page.
- ☐ Continue with the survey.

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None of your responses will be recorded until you click the **SUBMIT MY SURVEY** button.

Please consider answering the following questions to help MDHS DECCD understand how much it costs you to provide care to the children you serve.

Mandatory Benefits

	Amount per Month (for all employees)	Amount per Year (for all employees)
Social Security (FICA)	<input type="text"/>	<input type="text"/>
Unemployment Compensation (MDES)	<input type="text"/>	<input type="text"/>
Worker's Compensation Insurance	<input type="text"/>	<input type="text"/>

Non-Mandatory Benefits

	Amount per Month (for all employees)	Amount per Year (for all employees)
Health Insurance	<input type="text"/>	<input type="text"/>
Life Insurance	<input type="text"/>	<input type="text"/>
Retirement	<input type="text"/>	<input type="text"/>
Child Care Benefit	<input type="text"/>	<input type="text"/>
Other <input type="text"/>	<input type="text"/>	<input type="text"/>

Would you consider answering additional questions?

- ☐ I do not want to answer any more questions. Take me to survey submission page.
- ☐ Continue with the survey.

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None of your responses will be recorded until you click the [SUBMIT MY SURVEY](#) button.

Please consider answering the following questions to help MDHS DECCD understand how much it costs you to provide care to the children you serve.

Operating expenses for your center.

Utility Expenses

You may answer per week OR per year.

	Amount per Month	Amount per Year
Phone	<input type="text"/>	<input type="text"/>
Internet	<input type="text"/>	<input type="text"/>
Electricity	<input type="text"/>	<input type="text"/>
Natural Gas	<input type="text"/>	<input type="text"/>
Garbage Removal	<input type="text"/>	<input type="text"/>
Water/Sewer	<input type="text"/>	<input type="text"/>

Facility Expenses

You may answer per week OR per year.

	Amount per Month	Amount per Year
Mortgage/Rent	<input type="text"/>	<input type="text"/>
Bank Loans/Business Credit Loans	<input type="text"/>	<input type="text"/>
Liability Insurance	<input type="text"/>	<input type="text"/>
Renter's Insurance	<input type="text"/>	<input type="text"/>
Building/Property Insurance	<input type="text"/>	<input type="text"/>
Monthly Building/Equipment Repair Costs	<input type="text"/>	<input type="text"/>
Exterminator	<input type="text"/>	<input type="text"/>
Grounds Maintenance	<input type="text"/>	<input type="text"/>
Playground Maintenance	<input type="text"/>	<input type="text"/>

Transportation Expenses***You may answer per week OR per year.***

	Amount per Month	Amount per Year
Automobile Loan	<input type="text"/>	<input type="text"/>
Automobile Insurance	<input type="text"/>	<input type="text"/>
Gasoline	<input type="text"/>	<input type="text"/>
Automobile Maintenance/Repair Costs	<input type="text"/>	<input type="text"/>
Automobile Tag Registration Fee	<input type="text"/>	<input type="text"/>

Program Expenses***You may answer per week OR per year.***

	Amount per Month	Amount per Year
Food Costs	<input type="text"/>	<input type="text"/>
Curriculum	<input type="text"/>	<input type="text"/>
Classroom Supplies	<input type="text"/>	<input type="text"/>
Office Supplies	<input type="text"/>	<input type="text"/>
Paper Products & Cleaning Supplies	<input type="text"/>	<input type="text"/>
Child Care Licensing Fee	<input type="text"/>	<input type="text"/>
Postage Expenses	<input type="text"/>	<input type="text"/>
Professional Development/Conferences	<input type="text"/>	<input type="text"/>
Accreditation Fee	<input type="text"/>	<input type="text"/>
Advertisement Fees	<input type="text"/>	<input type="text"/>
Income Taxes	<input type="text"/>	<input type="text"/>
Substitute Teacher Costs	<input type="text"/>	<input type="text"/>
Special Events	<input type="text"/>	<input type="text"/>

Miscellaneous Expenses***Any expenses you have that were not covered above.******You may answer per week OR per year.***

	Amount per Month	Amount per Year
Other 1 <input type="text"/>	<input type="text"/>	<input type="text"/>
Other 2 <input type="text"/>	<input type="text"/>	<input type="text"/>
Other 3 <input type="text"/>	<input type="text"/>	<input type="text"/>

Miscellaneous Expenses

Any expenses you have that were not covered above.

You may answer per week OR per year.

	Amount per Month	Amount per Year
Other 1	<input type="text"/>	<input type="text"/>
Other 2	<input type="text"/>	<input type="text"/>
Other 3	<input type="text"/>	<input type="text"/>

Child and staff accident insurance policy.

Obtained by multiplying the number of each by the amount charged per year for each. Example: 20 Children X \$10.00 per year. You would enter 20 under Number and \$10.00 under Amount per Year.

	Number	Amount per Year
Child	<input type="text"/>	<input type="text"/>
Staff	<input type="text"/>	<input type="text"/>

Do you pay for FBI fingerprinting for your employees? If yes, do you pay the whole amount or only a portion?

	Do you pay?		If yes, how much?
	Yes	No	Ex. \$50
FBI Fingerprinting	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

Would you consider answering additional questions?

- ☐ I do not want to answer any more questions. Take me to survey submission page.
- ☐ Continue with the survey.

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This survey does not require participants to enter personally identifiable information. If you would like to provide the following information, DECCD will be happy to contact you with an analysis of your program and spending and connect you with resources from the Early Years Network to assist you with any business planning needs you may have. Providing this information is voluntary. DECCD will NEVER use program specific data when reporting on market rates.

Name (Optional)

Center Name (Optional)

I prefer to be contacted by: (Optional)

☐

Email

☐

Phone

Do you have another center at a different location for which you would like to enter information? If yes, you will be redirected to the beginning of the survey, which will be pre-populated with your previous answers. You may adjust the information as needed.

☐

Yes

☐

No

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SUBMIT MY SURVEY

Appendix B: Comments Received

Date Received	Individual	Organization	Comment	Response
09/29/15	JoAnn Thomas	Early Years Network	I reviewed the survey that Laura Dickson has sent for us to review. I just wanted to let you know that it looks very good to me. It is thorough and easy to understand. I hope you will get a lot of response from this survey. I also hope that the information will be shared with us when it has been compiled.	
10/09/15		MS Association of Licensed Child Care Providers	Market Rate refers to the “going rate” for goods and services in a specific area.	
10/09/15		MS Association of Licensed Child Care Providers	The most important information needed to be gathered locally/regionally by DECCD is what other programs charge for providing services to families who do not qualify for child care assistance (serving middle and upper income families).	Historically, this survey has been conducted by the MSU Extension Service and included all licensed providers, not just CCPP providers. There will be no change to this strategy. Input will be sought from both CCPP providers and non-CCPP providers.
10/09/15		MS Association of Licensed Child Care Providers	Once that average is determined, DECCD is urged by HHS to set a reimbursement rate of no less than 75% of that amount (in each region) in order to provide equal access to low-income children.	Under the new provisions of the law, DECCD is required to set reimbursement rates that support equal access for subsidy eligible families. DECCD acknowledges that current rates do not match the rates reflected in the 2013 MRS. Rate changes are being considered based on the results of this MRS.

Date Received	Individual	Organization	Comment	Response
10/09/15		MS Association of Licensed Child Care Providers	Completed Market Rate Surveys from an overwhelming majority of providers who have a clientele with 85% or more receiving low-income child assistance cannot provide “a going rate” in any region and must be weighted differently or excluded. (“Low-income providers” will likely list current, below Market DECCD Rates set in 2007 prior to a 46% increase in Minimum Wage and equal access will be denied.)	DECCD hopes that the inclusion of questions regarding provider costs will validate the needs (in regard to reimbursement rates) for providers that operate in areas with high concentrations of poverty.
10/09/15		MS Association of Licensed Child Care Providers	Unfortunately, the current Market Rates needed to be gathered are from providers who may have no association with DECCD and may not see any great benefit to themselves or their programs for having taken the time to complete a five page document also designed for “other purposes” including the collection of data to determine average operational costs and business analyses.	Upon this suggestion, DECCD has divided the MRS into two distinct sections. Providers not wanting to complete the provider cost section will have the option to submit their market rate information and exit the survey at any time.
10/09/15		MS Association of Licensed Child Care Providers	“Other purposes” collection of data may actually work to deter from participation and thus, determination of a valid Market Rate.	Upon this suggestion, DECCD has divided the MRS into two distinct sections. Providers not wanting to complete the provider cost section will have the option to submit their market rate information and exit the survey at any time.
10/09/15		MS Association of Licensed Child Care Providers	The Market Rate Survey must provide full disclosure of its purpose and clearly state how the data will be used.	DECCD will publicize the purpose of the MRS.

Date Received	Individual	Organization	Comment	Response
10/09/15		MS Association of Licensed Child Care Providers	The Market Rate Survey must provide disclosure of its sample size.	The analysis of the MRS will include a discussion of the sample size.
10/09/15		MS Association of Licensed Child Care Providers	The Market Rate Survey should gather only the information needed to collect “going rate” child care fees in each Region.	Because providers who serve families in areas of high poverty may not be able to set their rates above CCPP reimbursement rates, DECCD sought to collect the cost information in order to better understand what should be considered when determining reimbursement rates. DECCD did take this request into consideration and divided the survey into two sections.
10/09/15		MS Association of Licensed Child Care Providers	Every effort should be made to provide follow up and encourage participation, particularly from absent providers serving middle and upper income families. Perhaps the collection of Market Rates from such providers may be assisted and collected by each county Extension office (and others) through site visits and individual phone calls (building on presumed, established training and professional relationships).	Every effort will be made to encourage participation among ALL providers
10/09/15		MS Association of Licensed Child Care Providers	The determination processes should be transparent and also made available online.	As required by the CCDBG, the results of the MRS will be available online.